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TAGS: [PGOV](#) [PREL](#) [PHUM](#) [ECON](#) [ENRG](#) [BO](#)  
SUBJECT: BELARUS WEEKLY POL/ECON REPORT - August 1, 2008

¶1. The following are brief items of interest compiled by Embassy Minsk.

#### TABLE OF CONTENTS

##### Civil Society -----

- Militia Disbands Youth Tent Camp (para. 2)
- Nomination of Representatives to Precinct Election Commissions Continues (para. 3)
- Opposition Parliamentary Hopeful Takes Employer to Court over Illegal Dismissal (para. 4)
- Five Percent of Initiative Groups Denied Registration for September Parliamentary Elections (para. 5)

##### Domestic Economy -----

- Belarus Will Solicit Tender Bids for NPP Construction (para. 6)
- Standard and Poor's Affirms Belarus Sovereign Credit Ratings (para. 7)
- Growing Investment (para. 8)

##### International Trade -----

- Turkcell Buys 80 Percent of Belarus' Cell Phone Operator BeST (para. 9)

##### Quote of the Week (para. 10) -----

##### Civil Society -----

#### ¶2. Police Disband Youth Tent Camp

Activist of the European Belarus campaign Dmitriy Borodko told Belapan news agency July 26 that police detained about 50 youth activists near Borisov that same day. Young people wanted to spend the weekend in a tent camp, which was co-sponsored by the civil initiative "European Belarus" and to study fundamentals of democratic society and election campaigning. Police harassed many detainees on the way to Borisov and did not bother to call parents or minors' legal representatives. Police checked ID's, took fingerprints and wrote many detainees up for making a bonfire in a forest. Everybody was released without trial on the same day.

#### ¶3. Nomination of Representatives to Precinct Election Commissions Continues

Secretary of the Central Election Commission (CEC) Nikolay Lozovik told the Belapan news agency July 29 that political parties, NGO's, labor collectives and citizens are free to nominate representatives to the country's 6485 precinct election commissions for September parliamentary elections. The deadline for submitting applications to 5-19 person commissions is August 10. Local authorities will

review applications and establish commissions by August 13. In the meantime, CEC chairperson Lidiya Yermoshina said during a Belapan-organized online conference that CEC "will try to take note" of EU suggestions on the registration of candidates and election observation.

#### 14. Opposition Parliamentary Hopeful Takes Employer to Court over Illegal Dismissal

Leader of the local Belarusian Popular Front cell in the city of Kobrin (Brest region) Alexander Mekh told Belapan news agency on July 28 that he had filed a lawsuit against his employer, Beltransgaz, seeking reemployment and compensation of material and moral damage. Earlier this month his supervisor and the local Belarusian KGB chief threatened to dismiss Mekh unless he opted out of the parliamentary election race. Mekh ignored the threat and was fired but famously recorded and publicized the talk on the internet.

The recording was forwarded to the CEC, which, according to CEC chair Yermoshina, re-forwarded it to the General Prosecutor's office. The story seems to be far from being finished.

#### 15. Five Percent of Initiative Groups Denied Registration for September Parliamentary Elections

According to Belapan, the CEC announced that as of July 29, 23 potential initiative groups out of 455 applicants were denied registration, or roughly five percent of the total. United Democratic Forces received two denials, thus bringing the number of their registrations to 95. The UDF information center has reported no serious violations of the Electoral code at this stage but noted that registration of candidates would show if (and how much) the authorities can be trusted in the coming election campaign.

VILNIUS 00000622 002 OF 002

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Domestic Economy  
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#### 16. Belarus Will Solicit Tender Bids for NPP Construction

Both Russia's Atomstroyexport and France's Areva responded on July 29 to Belarus' Energy Ministry invitation to participate in a tender for the construction of a Nuclear Power Plant (NPP). According to Belapan, certain Belarusian scientists and officials informally opined earlier this month that Atomstroyexport is the best option for Belarus for a variety of reasons. Belarusian officials stated that American-Japanese Westinghouse-Toshiba ignored the invitation for only for political reasons.

#### 17. Standard and Poor's Affirms Belarus Sovereign Credit Ratings

Standard and Poor's reportedly affirmed sovereign credit ratings it gave Belarus a year ago. The country again received B plus in hard currency, BB in long-term loans in national currency and B in short-term loans in hard currency and the forecast for all ratings is stable. Although the country's political system is uniquely centralized, which makes the government's decision less predictable, incomes in the country are "relatively high," state debt is low and economic potential is strong. S&P also notes that higher energy bills did not hit Belarus' economy as much as was originally expected.

#### 18. Growing Investment

Speaking at Belarus' government regular session on July 29, Deputy Prime Minister Vladimir Semashko said the country's economy received (through June 2008) 2.8 times more investment than a year ago. The share of foreign investment in total investments was 1.4 percent. Semashko also noted that most investments in the first six months were channeled to commerce and services, while the government is seeking to ensure more investment in industrial and agricultural sectors in the first place.

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International Trade

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¶9. Turkish Turkcell Buys 80 Percent of Belarus' Cell Phone Operator BeST

Belarus' government press service told Prime-Tass that Turkey's Turkcell signed an agreement on July 29 to buy 80 percent of Belarus' GSM cell phone operator Best. Turkcell will pay USD 500 million (or USD 600 million according to conflicting reports) in four installments. State-owned BeST is one of Belarus' three GSM cell phone services providers. It was established in 2004 at the initiative of Lukashenko, who vowed that the state would provide affordable cell phone services to everybody. The company started its operations in December 2005 but has never been commercially viable. At present, it has 187,000 customers, while the total number of cell phone users in Belarus is estimated 7.5 million. Turkcell allegedly hopes to secure the remaining market slot of 1 million people.

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Quote of the Week  
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¶10. Speaking to senior officials of Brest region on the implementation of the 2005-2010 Agricultural Rehabilitation Program, Lukashenko said:

"The situation on the world food market has drastically changed for the worse -- we see a heavy food crisis. Today, revolts of the hungry spread all over the world...No matter how tough it may sound, God gifted us this situation (rising food prices) the way He gifted it to oil extractors".

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